

UNITED STATES DEPARTMENT OF JUSTICE
WASHINGTON, D.C. 20530

SUPPLEMENTAL STATEMENT

*Pursuant to Section 2 of the Foreign Agents
Registration Act of 1938, as Amended*

For Six Month Period Ending June 30, 1971
(Insert date)

Name of Registrant

Registration No.

United States-Japan Trade Council

929

Business Address of Registrant

1000 Connecticut Ave., N.W.
Washington, D.C. 20036

I - REGISTRANT

1. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual:

(1) Residence address	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(2) Citizenship	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(3) Occupation	Yes <input type="checkbox"/>	No <input type="checkbox"/>

(b) If an organization:

(1) Name	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
(2) Ownership or control	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
(3) Branch offices	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Explain fully all changes, if any, indicated in Item 1.

none

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, and 5.

3. Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name

Position

Date Connection
Ended

none

4. Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? ☐ Yes No ☒

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
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5. Has any person named in Item 4 rendered services directly in furtherance of the interests of any foreign principal? Yes ☐ No ☒

If yes, identify each such person and describe his services.

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6. Have any employees or individuals other than officials, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period?
Yes ☒ No ☐

If yes, furnish the following information:

Name	Position or connection	Date terminated
Donald Lerch of Donald Lerch & Co., Inc.	agricultural public relations	April 1, 1971
Carol D. Stitt	research director	April 30, 1971
Daniel Minchew	legislative director	May 14, 1971

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7. During this 6 month reporting period, have any persons been hired as employees or in any other capacity by the registrant who rendered services to the registrant directly in furtherance of the interests of any foreign principal in other than a clerical or secretarial, or in a related or similar capacity?
Yes ☒ No ☐

If yes, furnish the following information:

Name	Residence Address	Position or connection	Date connection began
Kazuo Nukazawa	3940 Langley Ct., NW Washington, D.C.	Economist	8/19/68
Susan R. MacKnight	2745 Ordway St., N.W. Washington, D.C. 20008	Research Director	6/1/71
Allan D. Schlosser	4200 Cathedral Ave., NW Washington, D.C. 20016	Legislative Director	6/1/71

II - FOREIGN PRINCIPAL

8. Has your connection with any foreign principal ended during this 6 month reporting period?
Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal

Date of Termination

-
9. Have you acquired any new foreign principal¹ during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish following information:

Name and address of foreign principal

Date acquired

-
10. In addition to those named in Items 8 and 9, if any, list the foreign principals¹ whom you continued to represent during the 6 month reporting period.

Japanese Government

III - ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9, and 10 of this statement? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

Japanese Government

See Attachment, pages 1 - 15.

¹ The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual or organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)).

A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those foreign principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity² as defined below?

Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

Japanese Government

The answer to Item 11 has listed all of the activities of the registrant during the period in question. Some, but not all, of these activities constituted "political propaganda" within the meaning of the Act.

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13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals?

Yes ☐ No ☒

If yes, describe fully.

² The term "political activities" means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS - MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise?

Yes ☒ No ☐

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.³

<i>Date</i>	<i>From Whom</i>	<i>Purpose</i>	<i>Amount</i>
Feb. 8, 1971	Japanese Government, through	For promotion of the	\$60,000.00
Mar. 4, 1971	the Japan Trade Promotion	interests of the Govern-	30,335.89
May 24, 1971	Office	ment of Japan in the field	80,000.00
June 14, 1971	" "	described in Exhibit B of	26,801.00
		the Registration Statement	

Note: In addition to the above, \$11,895.00 was received from members in the form of membership dues. This sum was not received to be used in the interests of the foreign principal, but is reported here in order to make full disclosure of receipts.

197,136.89
Total

14. (b) RECEIPTS - THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁴ other than money from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal?

Yes ☐ No ☒

If yes, furnish the following information:

<i>Name of foreign principal</i>	<i>Date received</i>	<i>Description of thing of value</i>	<i>Purpose</i>
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³ A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. See Rule 201(e).

⁴ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) DISBURSEMENTS - MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 8, 9 and 10 of this statement? Yes ☒ No ☐

(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
Jan. 1 -	Stephen D. Cohen	salary	\$ 8,262.48
June 30, 1971	Noel Hemmendinger	salary	8,582.50
"	Susan MacKnight	salary	920.32
"	M. D. Minchew	salary	9,467.70
"	Kazuo Nukazawa	salary	7,543.05
"	Allan D. Schlosser	salary	1,500.00
"	Carol Stitt	salary	5,029.93
"	Nelson Stitt	salary	11,060.42
"	Allen Taylor	salary	17,492.27
"	various clerical & research per- sonnel	salaries	24,195.53
"	Stitt, Hemmendinger & Kennedy	legal & research	6,000.00
"	Scott Runkle	general public relations	13,187.00
"	Charles von Lowenfeldt Inc.	West Coast rep. PR	14,330.81
"	Donald Lerch & Co.	agricultural PR	6,127.73
"	William Dazey	South West rep.	2,400.00
"	H. Okada	For operating the Japan Trade Promotion Office	1,200.00
"	GHI	hospital ins.	2,748.07
"	H. G. Smithy	rent	9,000.00
"	various	books & periodicals	2,465.91
"	various	office equipment	378.25
"	various	general office	3,580.98
"	various	insurance & taxes	5,359.82
"	various	miscellaneous services	1,912.26
"	various	statistical data	2,249.30
"	various	travel & transportation	5,168.32
"	various	research & reports	7,079.25
"	various	pamphlets	9,613.86
"	various	mailroom expense	4,554.90
"	various	copy machines	371.70
"	various	postage & shipping	8,374.88
"	various	phone & wire	1,604.27
"	various	social	3,471.00
"	various	membership & trade conferences	400.60

206,233.11

Total

15. (b) DISBURSEMENTS - THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value⁵ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in items 8, 9 and 10 of this statement?

Yes ☐ No ☒

If yes, furnish the following information:

<i>Date disposed</i>	<i>Name of person to whom given</i>	<i>On behalf of what foreign principal</i>	<i>Description of thing of value</i>	<i>Purpose</i>
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(c) DISBURSEMENTS - POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value⁵ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No ☒

If yes, furnish the following information:

<i>Date</i>	<i>Amount or thing of value</i>	<i>Name of political organization</i>	<i>Name of candidate</i>
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V - POLITICAL PROPAGANDA

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any political propaganda as defined above? Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN THIS SECTION V.

17. Identify each such foreign principal.

Japanese Government
Foreign Ministry
Tokyo, Japan

⁵ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating political propaganda?
Yes ☒ No ☐

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

Japanese Government
Approximately \$90,000.00 (Estimated on basis of ratio to total activities)
Six month period

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of political propaganda include the use of any of the following:

☒ Radio or TV broadcasts ☒ Magazine or newspaper articles ☐ Motion picture films ☒ Letters or telegrams
☐ Advertising campaigns ☒ Press releases ☒ Pamphlets or other publications ☒ Lectures or speeches

☐ Other (specify) _____

20. During this 6 month reporting period, did you disseminate or cause to be disseminated political propaganda among any of the following groups:

☒ Public Officials ☒ Newspapers ☒ Libraries
☒ Legislators ☒ Editors ☒ Educational institutions
☒ Government agencies ☒ Civic groups or associations ☐ Nationality groups

☐ Other (Specify) _____

21. What language was used in this political propaganda:

☒ English ☐ Other (specify) _____

22. Did you file with the Registration Section, Department of Justice, two copies of each item of political propaganda material disseminated or caused to be disseminated during this 6 month reporting period?

Yes ☒ No ☐

23. Did you label each item of such political propaganda material with the statement required by Section 4(b) of the Act? Yes ☒ No ☐

24. Did you file with the Registration Section, Department of Justice, a Dissemination Report for each item of such political propaganda material as required by Rule 401 under the Act?

Yes ☒ No ☐

VI - EXHIBITS AND ATTACHMENTS

25. EXHIBITS A AND B

- (a) Have you filed for each of the newly acquired foreign principals in Item 9 the following:

Exhibit A⁶ Yes ☐ No ☐

Exhibit B⁷ Yes ☐ No ☐

If no, please attach the required exhibit.

- (a) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period?

Yes ☒ No ☐

If yes, have you filed an amendment to these exhibits? Yes ☐ No ☒

If no, please attach the required amendment.

⁶ The Exhibit A, which is filed on Form OBD-67 (Formerly DJ-306) sets forth the information required to be disclosed concerning each foreign principal.

⁷ The Exhibit B, which is filed on Form OBD-65 (Formerly DJ-304) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

26. EXHIBIT C

If you have previously filed an Exhibit C⁸, state whether any changes therein have occurred during this 6-month reporting period.

Yes ☐ No ☒

If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☐

If no, please attach the required amendment.

27. SHORT FORM REGISTRATION STATEMENT

Have short form registration statements, been filed by all of the persons named in Items 5 and 7 of the supplemental statement?

Yes ☒ No ☐

If no, list names of persons who have not filed the required statement.

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this registration statement and the attached exhibits and that he is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in attached Short Form Registration Statement, if any, insofar as such information is not within his (their) his (their) personal knowledge.

(Type or print name under each signature)

(Both copies of this statement shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

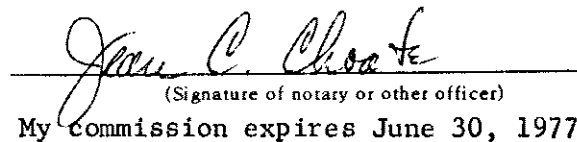


Noel Hemmendinger


Allen Taylor

Subscribed and sworn to before me at Washington, D. C.

this 3rd day of September, 19 76


(Signature of notary or other officer)
My commission expires June 30, 1977

⁸ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause shown upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, Department of Justice, Washington, D.C. 20530.

Answers to Questions 11 and 12

Explanation of Prefaces. The following items in answer to questions 11 and 12 are accompanied by a series of prefaces designed to explain the context in which the activities reported were carried out. Some of these prefaces are designed to throw light on the actual relationship which exists between the U.S.-Japan Trade Council and the Government of Japan, under which the Council acts as the agent of the Government of Japan, which supplies almost all of its funds and exercises general supervision and ultimate control over its activities. Other prefaces report activities not previously reported which throw light on the actual relationship between the Council and the Japanese Government.

1. Council Reports

Preface: The Council has prepared and distributed reports on the Japanese economy, U.S.-Japan economic relations, U.S.-Japan agricultural trade, Japanese foreign economic policy, international monetary developments, legislative and administration actions by the U.S. and Japanese governments relating to economic and trade policy, and investment and business plans of U.S. companies operating in Japan and Japanese companies operating in the U.S. These reports are sent to subscribers to Council publications.

All these reports are in the interest of the Government of Japan in the broad sense that it is beneficial to the Japanese Government to have Council subscribers receive basic economic data with respect to U.S.-Japan relations and legislative and administrative developments affecting these relations. From time to time these reports contain material which are intended to influence sections of the public within the United States in a manner favorable to the interests of the Government of Japan and hence qualify as "political propaganda" under the definition contained in Section 1 (j) of the Act.

Any material which the Council believed fell within this category was "labelled" as material put out by an agent of a foreign principal. The "label" identified the Council as a trade association of over 700 firms in the United States and the foreign principal as the Japan Trade Promotion Office. In fact, the recipients of these reports were not informed that the Council from its inception in 1957 has acted as an agent of the Japanese Government and has never been nor is it now a trade association, nor has it been governed by its members. The members of the Council were not members as such, but merely subscribers to its publications, and have had no voice in its operation. The Council receives almost all of its funds from the Japanese Government, which exercises general supervision and has ultimate control over its activities. In addition, the Japan Trade Promotion Office served no purpose other than to transmit funds between the Embassy of Japan and Council so as to obscure the connection between the Government of Japan and the Council.

Congressional Reports

From January 1 through June 30, 1971, the Council issued 102 daily reports on Congressional activities. (Nos. 1-102)

Council Reports

During the period, the Council prepared 39 Council Reports of a general nature. (Nos. 1-39)

- 1 Japan's Trade Liberalization: Review of 1970 and Outlook for 1971
- 2 Tariff Commission Concludes Investigation of U.S. Industrial Competitiveness
- 3 Tariff Commission Reports Under the Escape Clause on Nonrubber Footwear
- 4 Japan Announces 20 Items to be Liberalized by September 30th
- 5 International Economic Policy Council is Established
- 6 Japan's Foreign Trade in 1970
- 7 Council of Economic Advisers Discusses U.S. Foreign Economic Policy
- 8 Restrictions on International Trade Are Compared
- 9 Tariff Commission Hearing in Television Antidumping Case
- 10 International Trade Act of 1971 Introduced
- 11 Textile Issue Near Settlement
- 12 President Nixon's Foreign Policy Report Discusses U.S. Trade Policy
- 13 Tariff Commission Finds Japanese Television Sets Causing Domestic Injury
- 14 Buy American Developments
- 15 Japanese Declaration on Textile Export Restraint Issued; Official Negotiation Ends
- 16 President Nixon Rejects Japanese Voluntary Textile Restraint Plan; Mills Expresses Disappointment with Administration
- 17 Mid-America World Trade Conference Discusses U.S. Trade Policy
- 18 PROMPT ACTION REQUIRED: Trade Battle Resumes
- 19 Textile Issue: Difficulties Ahead
- 20 U.S. Exports to Japan, by Commodity; 1969 and 1970
- 21 Annual Report of the Joint Economic Committee Endorses Liberal Trade Policy
- 22 Textile Issue Continues
- 23 U.S. Imports from Japan, by Commodity, 1969 and 1970
- 24 Japanese Textile Imports: A False Problem?
- 25 President Defers Shoe Import Decision, Asks Ambassador Kennedy to Consult Abroad
- 26 Massive Money Flows Create International Monetary Crisis
- 27 Hearings of the Subcommittee on International Trade, Committee on Finance, May 17-21
- 28 Hearings by Senate Finance Subcommittee on Trade Continue the Third Day
- 29 AFL-CIO Executive Council Issues Nine-Point Trade Proposal
- 30 The United States Hints at the Need for a Yen Revaluation
- 31 Representative Mills Discusses U.S. Trade Policy
- 32 Treasury Department's Administration of the Antidumping Act is Discussed
- 33 American Foreign Trade Policy: A New Emphasis
- 34 The Prospects for Export Growth in a Service Economy
- 35 The Eight U.S.-Japan Businessmen's Conference
- 36 U.S. Trade by Country, 1969 and 1970
- 37 Yen Revaluation is Major Topic During Joint Economic Committee Hearings
- 38 Japan Liberalizes 20 Items
- 39 Japan Implements Solo Restraints on Textile Exports to the U.S.

Trade Roundups

During the period, the Council issued ten reports in a series entitled "U.S.-Japan Trade Roundup", describing activities in Congress and in the Executive agencies affecting U.S.-Japan Trade. (Nos. 1-10)

2. Publications and Research

Preface: The Council prepared and distributed pamphlets on certain of the topics referred to in Section 1 (Council Reports) of this item. Such publications are sent free of charge to a mailing list composed of members of Congress, members of the state legislatures, chambers of commerce, labor unions, newspapers, business firms, trade associations, economists and other interested individuals. These documents are often designed to present to the recipients the Japanese viewpoint on the subjects dealt with.

This material was "labelled" as material put out by an agent of a foreign principal. The "label" identified the Council as a trade association of over 700 firms in the United States and the foreign principal as the Japan Trade Promotion Office. In fact, the recipients of these pamphlets were not informed that the Council from its inception in 1957 has acted as an agent of the Japanese Government, and has never been nor is it now a trade association, nor has it been governed by its members. The members of the Council were not members as such, but merely subscribers to its publications, and have had no voice in its operation. The Council receives almost all of its funds from the Japanese Government, which exercises general supervision and has ultimate control over its activities. In addition, the Japan Trade Promotion Office served no purpose other than to transmit funds between the Embassy of Japan and Council so as to obscure the connection between the Government of Japan and the Council.

In addition, the Council conducted research into these areas. Such research often resulted in publications, but not necessarily publications issued during the same reporting period. Sometimes it was also used as a basis for "political propaganda". Some of this research was conducted for the Japanese Government. These research activities have not heretofore been reported.

Publications

Some Questions and Answers on U.S.-Japan Trade Relations and Japanese International Economic Policies

A pamphlet discussing in question and answer form key current trade and economic issues between Japan and the United States. Because of the anticipated demand, an additional 10,000 were printed, making a total of 35,000 circulated to the entire mailing list.

U.S.-Japan Agricultural Trade Newsletter, Spring 1971

The semiannual issue of the Council's agricultural newsletter, circulated to 10,000 individuals and organizations in the U.S. farm community. The cost of writing, printing and distributing this publication was approximately \$3,500.

United States Exports to Japan by Customs District of Shipment, 1970

The Council's annual presentation of statistical data on exports by customs district. 25,000 copies printed for circulation to the entire mailing list.

United States Imports from Japan by Customs District of Entry, 1970

The Council's annual presentation of statistical data on imports by customs district. 5,000 copies printed for circulation to selected segments of the mailing list.

Research

Council prepared a series of memoranda to the Japanese Government on various current issues. They included:

- A Speculation as to the Head of the Proposed Foreign Economic Council
- Japan's Economic Image Problem
- The Status of the Foreign Economic Policy Council
- Ways and Means Hearing
- U.S. Government's Reaction to the Persian Gulf Accord
- Creation of a Special Subcommittee of the Senate Finance Committee
- Developments in the Executive Branch
- The Williams Commission
- The Administration's Position on Okinawa
- Trade Preferences
- U.S. Trade Statistics
- Progress Report on a Textile Research Project
- A Fact Sheet on Textiles
- U.S. East-West Trade Policy
- Recent Trade Developments
- Climate on Capitol Hill
- Senate Voting Patterns on Import Quota Legislation
- TACC Meeting of June 25

Fact Sheet No. 4, "Japan's Trade Liberalization Schedule", was distributed around Washington during January.

Research continued on two projects on which the Council has been working for a long time -- A Ten Year Study of U.S.-Japan Trade and an updated version of Japan Busy American in All 50 States.

Data was collected for the Council's annual publication of imports and exports by customs district for 1970.

Research commenced on a publication scheduled for later this year comparing non-tariff barriers of the United States and Japan. Research was also undertaken into textile import figures to determine the comparative significance of imports of textiles from Japan as compared with imports from other textile exporting countries.

The Council commenced a preliminary study of the available literature on the present condition of the U.S. textile industry.

Council economists held briefing sessions with the Congressional Research Service and Time Magazine, both of which were preparing articles on the Japanese economy.

The Council provided data to a Harvard study group which is analyzing trends in U.S.-Japan trade and setting up projections for future trade. The Council will continue to work with the Harvard group as the project develops.

Fact Sheet No. 5 was published on June 11, containing a detailed analysis of U.S. non-tariff barriers to trade. A similar Fact Sheet on Japanese non-tariff barriers is in preparation.

The Council began to collect data on U.S. imports of textiles from Japan and the rest of the world, in preparation for U.S. government monitoring of Japanese imports under the voluntary restraint program.

Research was commenced on a state-by-state analysis of major economic and political forces which might affect the voting in the Senate on the Okinawa reversion treaty.

3. Representation and Lobbying

Preface: Officials of the Council lobbied with or otherwise presented to members of the Congress and the Executive Branch the Japanese viewpoint on various issues involving U.S.-Japan relationships by personal discussions or by formal appearances before committees of Congress or executive agencies. The subject matter of such lobbying or other presentations included material dealing with the Japanese economy and Japanese foreign economic policy. These activities were not previously reported in any detail, but were merely covered by the general statement that the Council had engaged in representational activity to the members of Congress, testimony before Congressional committees and committees of state legislatures.

In appearances before Congress and Executive Agencies the Council submitted its six-month supplementary registration statements as an agent of a foreign principal. These statements characterized the Council as a trade association of over 700 firms in the United States and as the agent of the Japan Trade Promotion Office. These statements, however, did not report significant activities of the Council which would have indicated the real nature of the Council's activities. In fact, the Council from its inception in 1957 has acted as an agent of the Japanese Government and has never been nor is it now a trade association, nor has it been governed by its members. The members of the Council were not members as such, but merely subscribers to its publications, and have had no voice in its operation. The Council receives almost all of its funds from the Japanese Government which exercises general supervision and has ultimate control over its activities. In addition, the Japan Trade Promotion Office served no purpose other than to transmit funds between the Embassy of Japan and Council so as to obscure the connection between the Government of Japan and the Council.

During January the Council wrote to each newly elected member of Congress extending best wishes, providing a selection of recent Council publications and offering assistance on international trade matters.

During February there was considerable discussion within the Trade Action Coordinating Committee - a liaison group of Washington liberal trade organizations -- about closer coordination with foreign embassies in Washington in connection with future protectionist legislation. The Council drew up a draft proposal for liaison with embassy representatives, but the project was dropped after further consideration.

On February 24 the Council submitted to Ambassador Ushiba a memorandum giving arguments against the projected establishment in Washington by the Ministry of International Trade and Industry (MITI) of a lobbying and information operation parallel to that of the Council.

On February 24 the Council submitted a memorandum to the Embassy dealing with the activities of the Trade Action Coordinating Committee in combatting protectionist legislation, and suggesting that the Ambassador meet with representatives of this group to bring about closer understanding of the Japanese viewpoint on trade and economic matters.

On March 2 the Council wrote to the President of the League of Women Voters in Connecticut congratulating her on the League's testimony in opposition to Buy-American legislation in the Connecticut legislature.

On March 4 the Council distributed to all members of Congress copies of its latest publication "Some Questions and Answers on U.S.-Japan Trade Relations and Japanese International Economic Policies".

On March 9 Ambassador Ushiba met with about 25 representatives of the Trade Action Coordinating Committee, in a meeting arranged by the Council and chaired by Noel Hemmendinger, in which he answered questions and exchanged views on the current trade situation.

On March 10 the Council submitted to the Committee on State and Urban Development of the Connecticut state legislature a statement in opposition to the Buy-American bill under consideration in the legislature.

On March 15 the Council transmitted to all members of Congress copies of the announcement by the Japan Textile Federation of its unilateral restraint program on textile exports and the statement by the government's Chief Cabinet Secretary pledging cooperation in the implementation of the program.

On March 23 the Council sent a telegram of congratulations to the National Grain and Feed Association on the occasion of its 75th anniversary convention.

On April 7 Nelson Stitt addressed a meeting of members of the Board of Directors of the Federation of Economic Organizations in Tokyo on the current state of U.S.-Japan trade relations, and took part in a subsequent discussion on the subject.

On May 18 the Council sent to all members of Congress a reprint from the Congressional Record of a speech on "The Japanese Concept of Economic Cooperation" by Masamichi Hanabusa before the Federal Bar Association in Washington. The speech had been placed in the Record by Senator Hatfield of Oregon at the request of the Council. Accompanying the speech was a reprint of an article in the Christian Science Monitor on the real reasons for U.S. textile plant closings.

On June 8 the Council sent to all members of Congress a reprint from the Congressional Record of a speech by Ambassador Ushiba at a conference in Houston sponsored by the Council. The speech had been placed in the Record by Rep. Bob Eckhardt of Texas.

On June 15 there appeared in the Congressional Record the text of a speech by Kogoro Uemura, President of the Federation of Economic Organizations, at a luncheon in Washington organized by the Council. The speech was placed in the Record by Senator Hatfield at the request of the Council.

On June 23 the Council submitted to Senator Ribicoff, Chairman of the Subcommittee on International Trade of the Senate Finance Committee, a commentary on testimony submitted to the Committee at hearings held in May. Part of the Council's submission dealt with what the Council felt to be misstatements and misconceptions about Japanese trade policies which became evident during the hearings.

4. Conferences

Preface: Periodically, the Council, through either Charles von Loewenfeldt, Inc. or Donald Lerch Company, initiated and organized conferences and symposia for the purpose of presenting the views of the Japanese Government on given subjects affecting that Government's relationship with the United States, including speeches by high officials of the Japanese Government. These meetings were nominally co-sponsored by other domestic organizations, who bore no financial responsibility and had no control over the program other than providing mailing lists and, in many cases, local speakers. The co-sponsors and other outside participants, as well as the general public, were not informed that the Council represented the Japanese Government, nor of the fact that the central purpose of the conference was to present the views of the Government of Japan. The monies expended for these conferences emanated from the Japanese Government, which funds were then conveyed through the Japan Trade Promotion Office, from where it was transmitted to the Council and then ultimately to the von Loewenfeldt and Lerch firms.

On March 15, 1971, the Council, through Charles von Loewenfeldt, Inc, organized a symposium in San Francisco, California, entitled "The Opening Door". It dealt with Japan's trade and capital liberalization and the potential expansion of Japan's markets for American products. The nominal co-sponsors were the California Council for International Trade, the Japanese Chamber of Commerce of Northern California, the Japan Society of San Francisco, the Oakland World Trade Club, the World Affairs Council of Northern California, the World Trade Association of Greater San Francisco Chamber of Commerce, the World Trade Club of San Francisco, and the World Trade Council of the West. The United States-Japan Trade Council was listed in alphabetical order as one of the ten co-sponsors. The speakers included the Japanese Ambassador to the United States and Council officials who were afforded a forum to present the Japanese viewpoint on various trade issues. Approximately \$5,500 was expended in presenting the above symposium.

On March 22 Charles von Loewenfeldt, who was the principal organizer for the Council of the San Francisco conference, submitted a proposal for a series of similar conferences in six medium-sized cities throughout the United States. Each of these conferences would be participated in by a team of two American

and two Japanese trade authorities, but without the presence of the Ambassador. The proposal was passed on to the Japanese Government during March for consideration. In the meanwhile, within a week after the San Francisco conference, advance planning began for a similar conference in Houston around the end of May, again with the Ambassador as the principal attraction.

On May 25, the Council, through Charles von Loewenfeldt, Inc., organized a symposium in Houston, Texas, entitled "The Opening Door". It dealt with Japan's trade and capital liberalization and the potential expansion of Japan's markets for American products. The nominal sponsor was the World Trade Club of Houston, stated as acting in cooperation with 14 other organizations: The Houston Chamber of Commerce, The Houston Committee on Foreign Relations, The Houston Council on World Affairs, The Houston Junior Chamber of Commerce, The Institute of International Education, The International Trade Division of the Texas Industrial Commission, The Japan-America Society, The Port of Houston, The Propeller Club of Houston, The Texas International Trade Association, The Texas Manufacturers Association, The Traffic Club of Houston, The United States-Japan Trade Council, and The World Trade Center of Houston. The speakers included the Japanese Ambassador to the United States and Council officials who were afforded a forum to present the Japanese viewpoint on various trade issues. Approximately \$6,000 was expended in presenting the above symposium (see Preface, paragraph 1).

5. Speeches by Council Officials

Preface: Council officials frequently spoke on U.S.-Japan relations, advancing the viewpoint of Japan before various groups. In making these speeches the Council officials held out the Council as a trade association of over 700 firms in the United States and the agent of a foreign principal, the Japan Trade Promotion Office. Those who heard these speeches, and others who appeared on the programs, were not advised that the Council from its inception in 1957 has acted as an agent of the Japanese Government and has never been nor is it now a trade association, nor has it been governed by its members. The members of the Council were not members as such, but merely subscribers to its publications, and have had no voice in its operation. The Council receives almost all of its funds from the Japanese Government which exercises general supervision and has ultimate control over its activities. In addition, the Japan Trade Promotion Office served no purpose other than to transmit funds between the Embassy of Japan and Council so as to obscure the connection between the Government of Japan and the Council.

On January 6 Allen Taylor and Kazuo Nukazawa lectured to a seminar on U.S.-Japan relations at the Industrial College of the Armed Forces in Washington. This was Mr. Taylor's third visit to the College during the past year, and Mr. Nukazawa's second.

On January 9 Mr. Taylor addressed the annual convention of the National Association of Wheat Growers in Portland, Oregon on "Trade Relations and Your Future". During his visit to Portland, Mr. Taylor held a press conference, appeared on a TV talk show and was interviewed by the leading Portland newspapers. The Council issued a general press release on January 8 on Taylor's speech.

On January 21 Nelson Stitt addressed a labor-management symposium held by the University of Kentucky on "The Impact of Foreign Trade on Income and Employment". The Council issued a press release on Stitt's speech.

On March 16 Nelson Stitt debated on American trade policy with Oscar Strackbein, a leading spokesman for protectionism, in a symposium at Claremont College in Claremont, California.

On March 23 Noel Hemmendinger spoke on U.S. businessmen's reaction to Japanese trade policies before a two-day seminar on Japan held by the American Management Association in New York. Ambassador Ushiba also addressed the seminar.

On April 1 Noel Hemmendinger addressed the Japan-America Society of Chicago on "Current Issues in U.S.-Japan Economic Relations".

On April 29 Kazuo Nukazawa, Council's research consultant, addressed a meeting of the Pharmaceutical Manufacturers Association in Washington on "Japanese Personnel Practices".

On May 17 Mr. Nukazawa addressed a meeting of the Kiwanis Club in Oconomowoc, Wisconsin on U.S.-Japan trade relations.

On May 20 at the fiftieth anniversary meeting of the American Importers Association in New York, Noel Hemmendinger addressed the meeting on the subject "New Hazard for Importers--Quotas, Dumping Complaints and Other Devices".

On May 26 Noel Hemmendinger served as chairman of a panel discussion on "World-wide Marketing Under Japanese Competition" at a symposium held by the Multi-national Business Council at Harvard University.

6. Preparation of Speech Drafts

Preface: The Council prepared speech drafts for officials of the Japanese Government. These drafts set forth the Japanese point of view in a way most likely to be well understood by an American audience. The Japanese official involved took full responsibility for the final text that was delivered. Many of these drafts were prepared by Scott Runkle (Washington International Communications, Inc.), Philip Van Slyck, Inc. and Donald Lerch, Inc., all of which, in addition to their association with the Council, are registered as agents of the Japanese Government under Nos. 2319, 1991, and 2089, respectively. This activity was not previously reported, and the light which it throws on the relationship between the Council and the Japanese Government has not previously been disclosed.

During the period Runkle substantially edited a speech given in Los Angeles by the Ambassador and drafted his March 15 speech at the Council's San Francisco conference on Japanese liberalization.

Scott Runkle drafted Ambassador Ushiba's May 25 speech in Houston to a symposium sponsored by the Council and arranged for distribution of the speech and press releases to wire services and editorial page editors of 20 newspapers.

During June, Runkle drafted Ambassador Ushiba's speech before the Hartford World Affairs Council, and drafted remarks for speeches by the Ambassador in Dallas, Kansas and Arkansas.

7. Press and Media Relations

Preface: Persons working with the Council were in touch with editors, business editors, reporters and columnists in order to get publications favorable to the Japanese point of view on current issues involving U.S.-Japan economic relations. These contacts usually took the form of personal meetings and telephone conversations, and were often supplemented by supplying background material on the subject involved. The hope was that there would be publication based on the material supplied. It is not possible nor meaningful to give a quantitative analysis of what percentage of the material supplied was used. Following is a list of the background materials supplied and a list of news stories, columns and editorials which it is believed that the material supplied either initiated or to which it made a significant contribution. Most of this material is prepared by Scott Runkle, Registration No. 2319.

In carrying out these activities the Council held itself out to the media as a trade association of over 700 firms in the United States and the agent of a foreign principal, the Japan Trade Promotion Office. The media were not informed that the Council from its inception in 1957 has acted as an agent of the Japanese Government and has never been nor is it now a trade association, nor has it been governed by its members. The members of the Council were not members as such, but merely subscribers to its publications, and have had no voice in its operation. The Council receives almost all of its funds from the Japanese Government which exercises general supervision and has ultimate control over its activities. In addition, the Japan Trade Promotion Office served no purpose other than to transmit funds between the Embassy of Japan and Council so as to obscure the connection between the Government of Japan and the Council.

It is believed that the Council either initiated or had significant input into these stories, columns and editorials:

Editorial carried in 20 Scripps-Howard papers on January 5.
Joseph Slevin's colum on January 7: "Nixon Plays Politics with Trade Bill".
Editorial in Washington Star on January 8: "New Lease for Trade".
Column by Carl Rowan on January 8: "Misguided Latin Trade Policies".
Column by Milton Viorst on January 18: "Bethlehem Steel's Greedy Grab".
New York Times editorial on February 21: "Regaining Trade Initiative".
Washington News editorial on February 22: "New Twist on Trade".
UPI dispatch on February 16 containing a substantial story about the substitute trade bill introduced by a group of liberal Senators.
Editorial in New York Times on February 27: "Japanese Textile Offer".
Editorial in New York Times on March 10: "Resolving the Textile Dispute" and a news story on the same date: "Textiles: Is Peace Here?".
Editorial in the Washington Star on March 11: "A Blow to Protectionism".
Editorial in Washington News on March 12: "Nixon and Free Trade".
Editorial in New York Times on March 15: "Folly on Textiles".
Lengthy UPI dispatch on March 15 on the Ambassador's speech in San Francisco.
Column by Hobart Rowen on March 17: "Free Trade Talk, Protectionist Act".
Column by Marquis Childs on March 19: "Mills' Message: No Trade Bill".
Column by Roscoe Drummond on March 17: "Congress Must Act on Textiles".
Column by Milton Viorst on March 27: "Big Risk for Southern Vote".
Story by UPI on March 30 describing sharp increase in exports to Japan in 1970.
Column by Bruce Blossat on April 1 entitled "Japan's Role in Asia" which appeared in 400-450 papers.

Based on the same information furnished to Blossat, a story was filed from Tokyo by Scripps-Howard's editor Bernard Cutler entitled "Japanese Hope to Stabilize Asia", which appeared in 20 newspapers.

During April the wire services filed four substantial stories based on releases prepared by Runkle. The subjects were the 33 percent increase in U.S. exports to Japan in 1970; Japan's steps to accelerate its imports and reduce its exports; and Japan's declining share of textile imports into the United States.

On May 15 the UPI filed a lengthy story to its subscribers on Japanese foreign aid, based on a Runkle press release on the subject.

Scripps-Howard editorial June 18 "Okinawa and Textiles".

New York Times editorial June 25 "Trade Conflict with Japan".

During this reporting period Runkle prepared the following background papers on trade policy for use by columnists and editorial writers:

U.S.-Japan Textile Dispute Becomes Touchstone of U.S. Trade Policy:
Myths Obscure Facts in Politicized Issue.

U.S. Narrowly Escaped Serious Confrontation with 39 Foreign Countries on Trade Policy; Protests Reveal Extent of Danger.

Bill to Expand U.S. Trade Offered in Senate: Designed to Aid Consumers, Exporters and Import-Sensitive Industries.

U.S. Trade Policy Becomes Major Political Issue with 39 Foreign Countries; Italy's Premier Underscores Importance During Visit.

Nixon Urging of Textile Quotas, Despite Mills' Opposition, May Trigger Political Fight and International Confrontation.

Japanese Aid, Trade and Investment Now Major Factors in Spurring Economic Growth of Developing Asian Nations.

A background report entitled "Economics Becomes Key Political Issue with Foreign Nations; 1970 Figures Show Textiles Dispute with Japan is a Phony Issue" was prepared for the use of columnists and editorial writers.

On March 25 Runkle wrote to the magazine "Vital Speeches" suggesting that Ambassador Ushiba's San Francisco speech be reprinted in that publication. The magazine agreed.

On April 30 letters were written by the Council to Business Week, Newsweek and Forbes replying to what the Council felt to be misstatements about the Japanese economy and Japanese trade practices in articles in those magazines.

On May 4 a similar letter was sent to Time magazine.

May 1971, provided backgrounder to Peter Lisagor on farm exports.

Provided backgrounder to Milton Viorst on Japanese textiles.

A backgrounder was prepared on May 4 entitled "Japan's Foreign Aid Jumps 44 Percent to \$1.8 Billion in 1970".

Other backgrounders on this subject prepared for circulation included "Japanese Aid to Korea: A Key Factor in Its Rapid Economic Growth" and "Japanese to Build Vietnam's Largest Civilian Hospital".

A backgrounder was prepared for circulation entitled "Nixon's Solicitude to Farmers Does Not Include Trade Policy".

A backgrounder was begun on the import quota issue entitled "Rising U.S. Import Quotas Already Exceed Those of Japan".

A special report was prepared analyzing the heavy flow on unfavorable publicity toward Japan in the mass media during the month of May.

8. Films

Preface: During the period in which amended supplementary registration statements are to be filed, the Council prepared and distributed film clips, film strips and documentary films to TV stations and schools on various aspects of Japanese life, for the purpose of improving the Japanese image in the United States. This material was prepared by Charles von Loewenfeldt, Inc., Registration No. 810.

These film clips were designed to influence sections of the public within the United States in a manner favorable to the interests of the Government of Japan and hence qualify as "political propaganda" under the definition contained in Section 1(j) of the Act. This material was therefore "labelled" as material put out by an agent of a foreign principal. The label identified the Council as a trade association of over 700 firms in the United States and the foreign principal as the Japan Trade Promotion Office. The TV stations and schools were thus not informed that, in fact, the Council from its inception in 1957 has acted as an agent of the Japanese Government and has never been nor is it now a trade association, nor has it been governed by its members. The members of the Council were not members as such, but merely subscribers to its publications, and have had no voice in its operation. The Council receives almost all of its funds from the Japanese Government which exercises general supervision and has ultimate control over its activities. In addition, the Japan Trade Promotion Office served no purpose other than to transmit funds between the Embassy of Japan and Council so as to obscure the connection between the Government of Japan and the Council.

No material in this category was prepared or disseminated during the reporting period covered by this amended supplemental statement.

9. Luncheons

Preface: On the occasion of visits to the United States by high officials of the Japanese Government, the Council sometimes organized a public or private luncheon for the purpose of providing a forum at which these officials can present the Japanese point of view to an influential audience in the United States. The people attending these luncheons were not advised that the Council was in fact an agent of the Japanese Government.

On June 15 the Council sponsored a large public luncheon in Washington on the occasion of the visit of the Japanese delegation to the Eighth Japan-U.S. Businessmen's Conference. The luncheon was attended by 250 Administration officials in various government departments having responsibilities in the foreign trade field. The principal speech was given by Kogoro Uemura, President of Keidanren.* Paul McCracken, Chairman of the Council on Economic Advisers, also spoke. Among the high government officials attending were Clifford Hardin, Secretary of Agriculture; George Shultz, Director of the Office of Management and Budget; and the Undersecretaries of the Treasury and Transportation. (*Keidanren = Japan Federation of Economic Organizations)

10. Advice to Japanese Government

Preface: From time to time the Council gave advice to officials of the Japanese Government on U.S. political attitudes and prospects, particularly in the field of U.S.-Japan economic relations. The purpose of this advice was to assist the

Japanese Government in making policy decisions in this field in the light of the political realities in the United States. This activity was not previously reported, and the light which it throws on the relationship between the Council and the Japanese Government has not previously been disclosed.

On January 5 Scott Runkle prepared a list of themes which would serve as the basis for a series of background papers to be submitted to syndicated columnists and editorial writers.

On January 20 Runkle submitted a plan of action for the following three months, which included working with columnists, editorial writers, Washington bureaus and magazines and TV, and the preparation of press releases, speeches, and articles for trade magazines.

On February 25 the Council held a meeting at its headquarters of certain American economic public relations firms working in Japan's interests. Those in attendance were Philip Van Slyck representing the New York Consulate General and Japan Information Service; Norman Weissman of Ruder & Finn representing JETRO; Charles von Loewenfeldt and Scott Runkle representing the Council; Embassy officials and Council staff. (At the last moment Van Slyck became ill and could not attend.) The purpose of the conference was to exchange information about each other's activities and views about the most useful themes to promote Japan's image. Similar meetings had been held on a regular basis until a few years ago, but this was the first such meeting in at least two years. It is intended to resume a regular annual exchange of views on public relations activities.

On March 20 Runkle submitted a memorandum reviewing the question of Japan's image and analyzing measures necessary to cope with the new circumstances created by Japan's economic success.

On March 30 the Council submitted for consideration a proposal by Runkle to write a brief, popular introduction to the history of Japan to counteract the widespread ignorance on this subject among the American people. A draft of the introduction and first chapter of the proposed history were submitted along with the proposal.

In a memorandum dated April 5, Runkle summarized the editorial reaction during the latter half of March to President Nixon's rejection of the Japanese unilateral restraint proposal on textiles.

On April 30 Runkle prepared an analysis of the significance of a broadcast by Eric Severeid on CBS-TV referring to the views of Secretary of the Treasury John Connally.

On May 3 the Council's West Coast public relations consultant, Charles von Loewenfeldt, submitted a comprehensive proposal for a public relations program to deal with the current wave of criticism of Japan in the U.S.

At the request of the Japanese Government, a meeting was held on June 23 of Japanese Government officials and American agents and advisors at the Shoreham Hotel in Washington, D.C. In attendance were officials from the Japanese Ministry of Foreign Affairs, Ministry of International Trade and Industry,

(both groups coming from Tokyo), the Japanese Ambassador to the United States and his staff and Japanese Consuls General from ten American cities, or approximately twenty-two officials representing the Government of Japan. The Council was represented by Messrs. Stitt, Hemmendinger, and Taylor. Other agents attending included Donald Lerch, Scott Runkle, Philip Van Slyck, and Charles von Loewenfeldt. The purpose of the meeting was to discuss current Japanese-American relations and to chart a course of future activities for the agents and advisors in this country. There was a general agreement that Japan had an image problem in the United States and that a greater public relations effort was needed in that connection. Mr. Stitt pointed out how the Council had concentrated in influencing the media and organizing public events at which the Japanese viewpoint was persuasively presented.

On June 24 Runkle submitted a compilation of statements reflecting U.S. governmental attitudes toward Japan, both in the Administration and in Congress.

Another memorandum prepared by Runkle on June 25 contained a compilation of excerpts from the U.S. press of articles relating to Japan.

On June 30 Runkle submitted a summary of the discussions at a June 23 economic public relations meeting held in Washington, including a working plan for future Japanese public relations efforts in the United States.

11. Press Releases

Preface: In connection with its activities the Council prepared press releases on its publications, conference activities and speeches by Council officials or officials of the Japanese Government in connection with Council activities. Sometimes these releases took the form of obtaining publication of statements or speeches previously made. Much of this activity was carried on by Scott Runkle, Registration No. 2319.

These releases identified the Council as a trade association of over 700 firms in the United States and its foreign principal as the Japan Trade Promotion Office. Those receiving the releases were not informed that the Council from its inception in 1957 has acted as an agent of the Japanese Government and has never been nor is it now a trade association, nor has it been governed by its members. The members of the Council were not members as such, but merely subscribers to its publications, and have had no voice in its operation. The Council receives almost all of its funds from the Japanese Government which exercises general supervision and has ultimate control over its activities. In addition, the Japan Trade Promotion Office served no purpose other than to transmit funds between the Embassy of Japan and Council so as to obscure the connection between the Government of Japan and the Council.

The March issue of "European Community", a publication of the European Community Information Service, included an article by Stephen Cohen entitled "U.S. Trade Legislation: Retrospect and Prospect" which dealt at some length with the Congressional struggle over textile import quotas.

"U.S.-Japan Outlook", a magazine published by the Japan Trade Centers, contained in its spring issue an article entitled "U.S.-Japan: Collision Course?" which was a reprint of an address given by Nelson Stitt to the Pacific Businessmen's Forum last winter.

On March 4 the Council issued a press release on its pamphlet "Some Questions and Answers on U.S.-Japan Trade Relations and Japanese International Economic Policies".

On March 9 a press release was issued concerning the San Francisco symposium on Japanese liberalization.

On March 25 the Council issued a series of press releases to various agricultural trade publications describing the record-breaking sales of U.S. soybeans, feed grains, tobacco and wheat to Japan in 1970.

On March 30 the Council issued a general press release describing the sensational jump in total U.S. exports to Japan in 1970 over 1969.

On April 6 the Council issued a press release on Japan's steps to accelerate imports and dampen exports.

On April 19 the Council issued a press release describing the decline in Japan's share of U.S. textile imports.

On May 25 the Council issued a press release on the Ambassador's Houston speech.

On June 10 the Council issued a press release pointing out the textile imports from Japan showed virtually no increase during the previous year, and describing the difficulties being encountered by the Japanese textile industry.

On June 15 the Council issued a press release on Mr. Uemura's speech at a luncheon it sponsored in Washington.

On June 29 prepared a special press release for AP giving background considerations behind the decision to unilaterally curb Japanese textile exports to the United States.

On June 30 the Council issued a press release announcing the commencement of Japanese unilateral quota restrictions on textile exports to the U.S., and providing background analysis of the reasoning behind the decision to impose such restraints.

12. Travel to Japan

Preface: The consent decree in Civil Action No. 76-1260, U.S. District Court for District of Columbia requires the submission of the names of Congressional staff members, other governmental officials, and those in the news media (and their affiliations), who traveled to Japan through Council arrangements at no expense to themselves. The role of the Council in this regard was to suggest names of persons in these categories to the Japanese Government, through the Embassy. Arrangements for transportation and accommodation were worked out directly between the Japanese Government and the persons involved. The purpose of arranging these trips was to obtain a favorable impression of Japan in the minds of influential persons and thus foster the image of Japan in the United States. This activity has not been previously reported by the Council.

There was no activity in this category during this period. Subsequent reports include those trips where the Council is aware that all expenses were paid by the Japanese Government.

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

ATTORNEY GENERAL OF THE
UNITED STATES OF AMERICA
United States Department of Justice
Washington, D. C. 20530,

Plaintiff,

v.

Civil Action No. 76-1290

UNITED STATES-JAPAN TRADE COUNCIL, INC.
NOEL HEMMENDINGER
ALLEN TAYLOR
HISASHI OKADA
1000 Connecticut Avenue
Washington, D. C. 20036, and

JAPAN TRADE PROMOTION OFFICE
TATSURO GOTO
HISASHI OKADA
EIJI ISHII
TATSURO GOTO, HISASHI OKADA, and
EIJI ISHII, d/b/a JAPAN TRADE
PROMOTION OFFICE
39 Broadway
New York, New York 10006,

Defendants.

FINAL JUDGMENT OF PERMANENT INJUNCTION
AND OTHER ANCILLARY RELIEF AS TO
UNITED STATES-JAPAN TRADE COUNCIL, INC.,
NOEL HEMMENDINGER, ALLEN TAYLOR AND HISASHI OKADA

Plaintiff, ATTORNEY GENERAL of the United States of America
(ATTORNEY GENERAL) having duly commenced this action by filing
its complaint, and defendants, UNITED STATES-JAPAN TRADE COUNCIL,
INC. (COUNCIL), NOEL HEMMENDINGER (HEMMENDINGER), ALLEN TAYLOR
(TAYLOR), and HISASHI OKADA (OKADA), having appeared and submitted
to the jurisdiction of this Court over them and over the subject
matter of this action, having waived the making of any findings
of fact or conclusions of law, before the taking of any testimony
and without trial or adjudication of any issue of fact or law
herein, and without admitting or denying the allegations of the

complaint, except to the extent that may be specified in their consent hereto and in this case for the purpose of this action only), having consented to the entry of this Final Judgment of Permanent Injunction and other Ancillary Relief, and the Court having considered the matter and being duly advised, and there being no just reason for delay in issuing this Judgment, it is hereby

ORDERED, ADJUDGED AND DECREED that defendants COUNCIL, HEMMENDINGER, TAYLOR AND OKADA, together with its other officers, agents, servants, employees, directors, successors, assigns, subsidiaries and affiliates and each of them and those persons in active concert or participation with them, (except paragraph (c) is omitted as to TAYLOR and paragraphs (B) and (C) are omitted as to OKADA), are hereby permanently enjoined from:

- A. violating Section 2 of the Foreign Agents Registration Act of 1938, as amended (the Act), and Rules 202 and 210 thereunder, 22 U.S.C. 612, 28 C.F.R. 5.202 and 5.210 by acting as a foreign agent of the Government of Japan without filing with the ATTORNEY GENERAL true and complete registration statements, supplements thereto and short forms, containing information and documents required by Section 2 of the Act and Rules 202 and 210, thereunder, 22 U.S.C. 612, 28 C.F.R. 5.202 and 5.210, including, but not limited to the following:
- (a) a full description of the status and function of the COUNCIL;
 - (b) the names of all foreign principals;
 - (c) a comprehensive statement of the nature of the business of the organization;
 - (d) a detailed statement of every activity engaged in, whether political or otherwise;

- (e) copies of all contractual arrangements and the identities of the real parties in interest thereto;
 - (f) detailed statements of all monies received and the disposition of such funds, including any arrangement to act solely as a conveyor for the transfer or receipt of such funds;
 - (g) the details of the functions, responsibilities, and duties of the officers, directors, and key employees of the COUNCIL; and,
 - (h) such further statements and such further documents as are necessary to make the statements and supplements thereto, as well as the short form statements and the copies of the documents furnished therewith, not misleading.
- B. violating Section 4(b) of the Act, 22 U.S.C. 614(b) and Rule 402, 28 C.F.R. 5.402, by transmitting or causing to be transmitted in the United States mails or by any means or instrumentality of interstate or of foreign commerce any political propaganda for or in the interests of the Government of Japan (a) in the form of prints, or (b) in any other form which is reasonably adapted to being, or which it believes will be, or which it intends to be disseminated or circulated among two or more persons, unless such political propaganda is conspicuously marked at its beginning with, or prefaced or accompanied by, a true and accurate statement, in the language in such political propaganda setting forth that the COUNCIL or its agents, or affiliates, transmitting the political propaganda or causing

it to be transmitted, is registered under the Act with the Department of Justice, Washington, D.C., as an agent of the Government of Japan, together with the name and address of defendant COUNCIL; and that, as required by the Act, its registration statement is available for inspection at and copies of such political propaganda are being filed with the Department; and that registration of agents of foreign principals required by the Act does not indicate approval by the United States Government of the contents of the political propaganda. For a period of three years this statement shall include a recital that the Council receives almost all of its funding from the Japanese Government and that the Japanese Government also exercises general supervision and has ultimate control over its activities; and that the COUNCIL has no membership as such other than subscribers to its literature, and stating, in addition, that such subscribers have no voice in its operations.

- C. Violating Section 4(e) of the Act, 22 U.S.C. 614(e) by transmitting, conveying, or otherwise furnishing to any agency, or official of the government (including a member or Committee of either House of Congress) for or in the interest of the Government of Japan any political propaganda or by requesting from such agency or official for or in the interest of the Government of Japan, any information or advice with respect to any matter pertaining to the political or public interests, policies or relations of a foreign country or a political party or pertaining to the foreign or domestic policies of the

United States unless the propaganda or the request is prefaced or accompanied by a true and accurate statement to the effect that such a person or organization is registered as an agent of such foreign principal under the Act.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendants COUNCIL, HEMMENDINGER, TAYLOR AND OKADA are required:

A. to file with the Department of Justice an amended registration statement and supplemental documents for the period commencing January 1, 1971 thereto as well as short forms pursuant to Section 2 of the Act and Rule 202 and 210 thereunder, 22 U.S.C. 612, 28 C.F.R. 5.202 and 5.210, disclosing, but not limited to the following information regarding the COUNCIL:

- (a) the true relationship that has existed among defendant organizations and themselves and the Japanese Government, namely that JAPAN TRADE PROMOTION OFFICE's (JTPO) function has been to serve as a conveyor of funds between the Government of Japan and the COUNCIL and, therefore, at all times the defendant COUNCIL was acting as the agent of the Government of Japan;
- (b) that the true foreign principal of the COUNCIL is, and always has been, the Government of Japan;
- (c) that the various agreements entered into involving JTPO and the Government of Japan, and JTPO and the COUNCIL, served solely to convey

funds between the Government of Japan, and the COUNCIL and were used as a device to conceal the real parties in interest in all such agreements, namely the Government of Japan, and the COUNCIL:

- (d) an accurate and complete statement of the terms of the agreement(s) under which defendant COUNCIL performed as the agent of the Government of Japan;
- (e) that the COUNCIL is not and was not a trade association governed by officers selected by its members but rather is and was an organization receiving its principal funding from the Japanese Government and governed by officers serving at the pleasure of the Japanese Government, which Government exercises general supervision and has ultimate control over the activities of the COUNCIL, and that the COUNCIL members were not and are not members as such but were and are merely subscribers to its publications and have no voice in COUNCIL decisions;
- (f) the details of the COUNCIL's lobbying activities involving federal and state legislatures; giving names of legislators, committees and staff members contacted and the surrounding circumstances thereto, including, but not limited to the purpose of such contacts and the pending legislation involved;

- (g) the means of economic and political advice given to the Government of Japan and any Japanese officials, together with any action taken by the COUNCIL in implementing such advice;
- (h) the names of columnists, editors, and others in the news media who received background information for potential stories, and whether any of the information supplied was utilized by those in the news media, giving details of such use;
- (i) the degree of assistance given to any official of the Japanese Government in the area of speech writing;
- (j) the names of Congressional staff members, other governmental officials, and those in the news media (and their affiliations), who traveled to Japan through COUNCIL arrangement at no expense to themselves, giving dates when such trips occurred;
- (k) the details of any arrangements or activities under which the COUNCIL, together with JTPO, conveyed monies between the Embassy of Japan and Charles von Loewenfeldt, Inc., so that the latter organization, another agent of the Japanese Government, could produce propaganda films on behalf of the Japanese Government, and then disseminate them in the United States under the auspices of the COUNCIL, such disclosure to include the funds transferred by the COUNCIL for such purposes, the dates and the titles of all the films which were disseminated in the manner described herein;

- (1) the details of any arrangements or activities under which the COUNCIL, together with JTPO, conveyed funds between the Government of Japan and Donald Lerch, Jr., Co., Inc. and Charles von Loewenfeldt, Inc., enabling these organizations, on behalf of the Japanese Government, to promote symposia and conferences sponsored by the COUNCIL and ostensibly other organizations, for the purpose of providing Japanese officials with forums to advance the interests of the Government of Japan including disclosure of the funds expended on each conference together with the information disseminated on behalf of that Government;
- (m) the details of any arrangements or activities under which the COUNCIL conveyed funds to Donald Lerch, Jr., Co., Inc., so that this latter agent of the Government of Japan could prepare and distribute agricultural publications promoting the interests of Japan, showing the COUNCIL as its sponsor, including disclosure of the funds so conveyed and the identity of the publications distributed in such manner;
- (n) the names of organizations utilized by defendant COUNCIL to exert political pressures, but where COUNCIL concealed its sponsorship, disclosing the manner and means of such activities, the dates and purpose of each such activity and, if press releases and letters were issued in the name of other organizations, have attached copies or other detailed information; and,

(o) descriptions of the actual functions and duties of all officers, directors, and key employees of the COUNCIL and JTPO.

B. to publish or cause to be published newspaper advertisements in a national financial journal which:

- (a) notify the public of this action; and
- (b) offer to supply without charge to any party outside of Washington, D.C. who had previously been the recipient of, or who had seen COUNCIL material, copies of its amended registration statements and supplements thereto;
- (c) file with the Department of Justice copies of the aforementioned advertisements;
- (d) notify each and every party or organization on the COUNCIL's mailing list of this action with an offer to supply to any party outside of Washington, D.C., copies of COUNCIL amended registration statements and supplements thereto; and,
- (e) notify each and every federal legislator, Congressional Committee, governmental agency, or quasi-governmental organization with which COUNCIL had any contact of this action, together with supplying such parties without charge with copies of the amended registration statements and supplements thereto of the COUNCIL.

C. to cease acting for, or in the interests of the Government of Japan until they have complied with Paragraphs A and B above.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of the matter for all purposes, and any party may apply to the Court on notice to each of the other parties, for the construction or interpretation of this Final Judgment.

(S) [Signature]
UNITED STATES DISTRICT JUDGE

Dated: September 3, 1976
Washington, D.C.

2. Plaintiff, ATTORNEY GENERAL of the United States of America (ATTORNEY GENERAL), and defendants, COUNCIL, HEMMENDINGER, TAYLOR, and OKADA, waive the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

3. Defendants COUNCIL, HEMMENDINGER, TAYLOR, AND OKADA consent, without admitting or denying the allegations of the Complaint (except to the extent that may be specified in their consent hereto and in this case for the purpose of this action only), to the entry, in accordance with the demands in the Complaint, of a Judgment of Permanent Injunction and Other Ancillary Relief against them in the form annexed hereto without further notice.

4. The defendants, COUNCIL, HEMMENDINGER, TAYLOR, and OKADA admit that this consent is given voluntarily and that no tender, offer, promise or threat of any kind whatsoever has been made by the plaintiff, ATTORNEY GENERAL or any member, officer, agent or representative thereof, to induce defendants to enter into this consent.

Dated: September 3, 1976
Washington, D. C. and
New York, New York

Harold Webb
Attorney for Plaintiff
ATTORNEY GENERAL

Allen Taylor
ALLEN TAYLOR
Executive Secretary
UNITED STATES-JAPAN TRADE
COUNCIL, INC.

Noel Hemmendinger
NOEL HEMMENDINGER

Allen Taylor
ALLEN TAYLOR

Hisashi Okada
HISASHI OKADA

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

ATTORNEY GENERAL OF THE
UNITED STATES OF AMERICA
United States Department of Justice
Washington, D. C. 20530

Plaintiff,

v.

UNITED STATES-JAPAN TRADE COUNCIL, INC.
NOEL HEMMENDINGER
ALLEN TAYLOR
HISASHI OKADA
1000 Connecticut Avenue
Washington, D. C. 20036, and

JAPAN TRADE PROMOTION OFFICE
TATSURO GOTO
HISASHI OKADA
EIJI ISHII
TATSURO GOTO, HISASHI OKADA, and
EIJI ISHII, d/b/a JAPAN TRADE PRO-
MOTION OFFICE
39 Broadway
New York, New York 10006
Defendants.

Civil Action No. 76-1290

STIPULATION AND CONSENT

1. The defendants UNITED STATES-JAPAN TRADE COUNCIL, INC.
(COUNCIL), NOEL HEMMENDINGER (HEMMENDINGER), ALLEN TAYLOR
(TAYLOR), and HISASHI OKADA (OKADA):

(a) admit the jurisdiction of this Court with respect to the subject
matter of this action and the parties hereto; (b) admit the service of the
Summons and Complaint herein; and (c) admit that the complaint states
claims upon which relief may be granted.

2. Plaintiff, ATTORNEY GENERAL of the United States of America (ATTORNEY GENERAL), and defendants, COUNCIL, HEMMENDINGER, TAYLOR, and OKADA, waive the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

3. Defendants COUNCIL, HEMMENDINGER, TAYLOR, AND OKADA consent, without admitting or denying the allegations of the Complaint (except to the extent that may be specified in their consent hereto and in this case for the purpose of this action only), to the entry, in accordance with the demands in the Complaint, of a Judgment of Permanent Injunction and Other Ancillary Relief against them in the form annexed hereto without further notice.

4. The defendants, COUNCIL, HEMMENDINGER, TAYLOR, and OKADA admit that this consent is given voluntarily and that no tender, offer, promise or threat of any kind whatsoever has been made by the plaintiff, ATTORNEY GENERAL or any member, officer, agent or representative thereof, to induce defendants to enter into this consent.

Dated: September 3, 1976
Washington, D. C. and
New York, New York

Harold Webb
Attorney for Plaintiff
ATTORNEY GENERAL

Allen Taylor
ALLEN TAYLOR
Executive Secretary
UNITED STATES-JAPAN TRADE
COUNCIL, INC.

Noel Hemmendinger
NOEL HEMMENDINGER

Allen Taylor
ALLEN TAYLOR

Hisashi Okada
HISASHI OKADA

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

ATTORNEY GENERAL OF THE
UNITED STATES OF AMERICA
United States Department of Justice
Washington, D. C. 20530,

Plaintiff,

v.

Civil Action No. 76-1290

UNITED STATES-JAPAN TRADE COUNCIL, INC.
NOEL HEMMENDINGER
ALLEN TAYLOR
HISASHI OKADA
1000 Connecticut Avenue
Washington, D. C. 20036, and

JAPAN TRADE PROMOTION OFFICE
TATSURO GOTO
HISASHI OKADA
EIJI ISHII
TATSURO GOTO, HISASHI OKADA, and
EIJI ISHII, d/b/a JAPAN TRADE
PROMOTION OFFICE
39 Broadway
New York, New York 10006,

Defendants.

FINAL JUDGMENT OF PERMANENT INJUNCTION
AND OTHER ANCILLARY RELIEF AS TO
JAPAN TRADE PROMOTION OFFICE,
TATSURO GOTO, HISASHI OKADA
AND EIJI ISHII

Plaintiff, ATTORNEY GENERAL of the United States of America (ATTORNEY GENERAL) having duly commenced this action by filing its complaint, and defendants, JAPAN TRADE PROMOTION OFFICE (JTPO), TATSURO GOTO (GOTO), HISASHI OKADA (OKADA), and EIJI ISHII (ISHII), having appeared and submitted to the jurisdiction of this Court over them and over the subject matter of this action, having waived the making of any findings of fact or conclusions of law, before the taking of any testimony and without trial or adjudication of any issue of fact or law herein, and without admitting or denying the allegations of the complaint, (except to the extent that may be specified in their

consent hereto and in this case for the purpose of this action only), having consented to the entry of this Final Judgment of Permanent Injunction and other Ancillary Relief, and the Court having considered the matter and being duly advised, and there being no just reason for delay in issuing this Judgment, it is hereby

ORDERED, ADJUDGED AND DECREED that defendants JTPO, GOTO, OKADA and ISHII, together with its other officers, agents, servants, employees, directors, successors, assigns, subsidiaries and affiliates and each of them and those persons in active concert or participation with them, are hereby permanently enjoined from:

- A. violating Section 2 of the Foreign Agents Registration Act of 1938, as amended (the Act), and Rules 202 and 210 thereunder, 22 U.S.C. 612, 28 C.F.R. 5.202 and 5.210 by acting as a foreign agent of the Government of Japan without filing with the ATTORNEY GENERAL true and complete registration statements, supplements thereto and short forms, containing information and documents required by Section 2 of the Act and Rules 202 and 210, thereunder, 22 U.S.C. 612, 28 C.F.R. 5.202 and 5.210, including, but not limited to the following:
- (a) a full description of the status and function of JTPO;
 - (b) the names of all foreign principals;
 - (c) a comprehensive statement of the nature of the business of the organization;
 - (d) a detailed statement of every activity engaged in, whether political or otherwise;
 - (e) copies of all contractual arrangements and the identities of the real parties in interest thereto;

- (f) detailed statements of all monies received and the disposition of such funds, including any arrangement to act solely as a conveyor for the transfer or receipt of such funds;
- (g) the details of the functions, responsibilities, and duties of the officers, directors, and key employees of JTPO; and,
- (h) such further statements and such further documents as are necessary to make the statements and supplements thereto, as well as the short form statements and the copies of documents furnished therewith, not misleading.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendants JTPO, GOTO, OKADA and ISHII are required:

A. to file with the Department of Justice an amended registration statement and supplemental documents for the period commencing February 6, 1971 thereto as well as short forms pursuant to Section 2 of the Act and Rule 202 and 210 thereunder, 22 U.S.C. 612, 28 C.F.R. 5.202 and 5.210, disclosing, but not limited to the following information regarding JTPO:

- (a) that JTPO is not and was not a trade promotion office but an organization established for the purpose of acting as a means of transmitting funds between the Government of Japan, and defendant UNITED STATES-JAPAN TRADE COUNCIL, INC. (COUNCIL) in order to obscure the agency relationship between the COUNCIL and the Japanese Government;
- (b) that while JTPO's foreign principal was the Government of Japan the activities described

in paragraph (a) above were carried out under the immediate direction of the defendant COUNCIL and its officers under the overall supervision and control of the Government of Japan and that JTPO had no supervisory role over the COUNCIL.

(c) an accurate and complete statement of the terms of the agreement(s) under which defendant JTPO performed as an agent of the Government of Japan;

(d) description of the actual functions and duties of all officers and employees of JTPO.

B. to cease acting for or in the interest of the Government of Japan until they have complied with paragraph A. above.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of the matter for all purposes, and any party may apply to the Court on notice to each of the other parties, for the construction or interpretation of this Final Judgment.

/S/ John H. Hall
UNITED STATES DISTRICT JUDGE

Dated: September 3, 1976
Washington, D. C.

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

ATTORNEY GENERAL OF THE
UNITED STATES OF AMERICA
United States Department of Justice
Washington, D. C. 20530

Plaintiff,

v.

UNITED STATES-JAPAN TRADE COUNCIL, INC.
NOEL HEMMENDINGER.
ALLEN TAYLOR
HISASHI OKADA
1000 Connecticut Avenue
Washington, D. C. 20036, and

JAPAN TRADE PROMOTION OFFICE
TATSURO GOTO
HISASHI OKADA
EIJI ISHII
TATSURO GOTO, HISASHI OKADA, and
EIJI ISHII, d/b/a JAPAN TRADE PRO-
MOTION OFFICE
39 Broadway
New York, New York 10006

Defendants.

Civil Action No. 76-

STIPULATION AND CONSENT

1. The defendants JAPAN TRADE PROMOTION OFFICE (JTPO),
TATSURO GOTO (GOTO), HISASHI OKADA (OKADA), EIJI ISHII (ISHII):

(a) admit the jurisdiction of this Court with respect to the subject
matter of this action and the parties hereto; (b) admit the service of the
Summons and Complaint herein; and (c) admit that the complaint states
claims upon which relief may be granted.

2. Plaintiff, ATTORNEY GENERAL of the United States of
America (ATTORNEY GENERAL), and defendants, JTPO, GOTO, OKADA, and

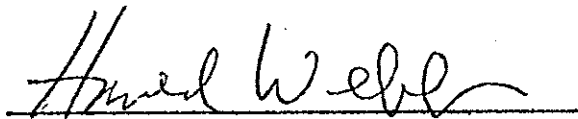
ISHII, waive the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

3. Defendants JTPO, GOTO, OKADA, and ISHII consent, without admitting or denying the allegations of the Complaint (except to the extent that may be specified in their consent hereto and in this case for the purpose of this action only), to the entry, in accordance with the demands in the Complaint, of a Judgment of Permanent Injunction and Other Ancillary Relief against them in the form annexed hereto without further notice.

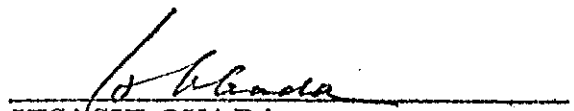
4. The defendants JTPO, GOTO, OKADA, and ISHII admit that this consent is given voluntarily and that no tender, offer, promise or threat of any kind whatsoever has been made by the plaintiff ATTORNEY GENERAL or any member, officer, agent or representative thereof, to induce defendants to enter into this consent.

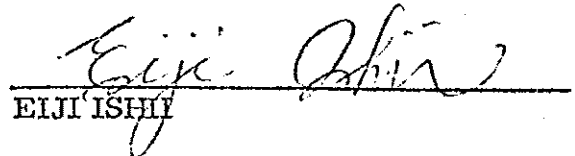
Dated: September 3, 1976
New York, New York
and Washington, D. C.


TATSURO GOTO, Director
JAPAN TRADE PROMOTION OFFICE


Attorney for Plaintiff
ATTORNEY GENERAL


TATSURO GOTO


HISASHI OKADA


EIJI ISHII